

Feds to Demand Pay Data from Employers in 2017

by Dennis J. Merley - Monday, February 01, 2016



On the seventh anniversary of the Lilly Ledbetter Fair Pay Act, the [Equal Employment Opportunity Commission \(EEOC\)](#) announced an extensive new data reporting requirement for many employers. Starting next year, employers with 100 or more employees will have to submit extensive pay data to the EEOC along with the workforce race, gender and ethnicity data already collected as part of the annual [Employer Information Report \(EEO-1\)](#).

What Will Be Required

Beginning with the September 2017 report, the EEO-1 form would call for hours worked and aggregate pay data across the different worker groupings contained in the form. The data would be reported within twelve “pay bands” (ranges) for each demographic group. The specific pay bands are currently set forth in EEOC’s [“Small Business Fact Sheet: Notice of Proposed Changes to EEO-1 Report to Collect Pay Data From Certain Employers”](#) (apparently nobody could think up a clever government acronym for this one).

EEOC says the new pay data would provide EEOC and the Office of Federal Contract Compliance Programs (OFCCP) of the Department of Labor with insight into pay disparities across industries and occupations and strengthen federal efforts to combat discrimination. The agencies would use this pay data to assess complaints of discrimination, focus agency investigations, and identify existing pay disparities that may warrant further examination.

According to the White House [Fact Sheet](#) issued at the time of this announcement, the new requirement “will help focus public enforcement of our equal pay laws and provide better insight into discriminatory pay practices across industries and occupations.” .

The EEOC's proposed changes will be published in the February 1, 2016 edition of the *Federal Register*. Members of the public have until April 1, 2016, to submit comments, after which EEOC will hold a public hearing on this new requirement at a time and date to be determined.

Bottom Line

It is difficult to understand how this development will benefit anyone. Since equal pay has to be evaluated according to specific jobs, how will the collection of "pay band" data applied to generalized employee groupings allow for a proper comparison? Until we learn more about how EEOC intends to use this new influx of data, it looks like more work for employers without much benefit for anyone.

Contact [Ryan Olson](#) for more information on this new proposal and on EEO-1 Reports generally.

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